

HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH 84032

PHONE: (801) 654-2621

February 2, 1977

NOTICE OF BOARD OF DIRECTORS MEETING HEBER CREEPER, INC.

There will be a meeting of the Board of Directors of Heber Creeper, Inc. at 5:00 p.m., February 10, 1977, at the offices of Ashton Oil and Transportation, 40 East 100 North, Heber City, Utah.

AGENDA:

1. Position of Grant Applications.
2. Result of Efforts to Obtain Track in Provo Canyon from Highway Department.
3. Financial Condition, including Refinancing S.B.A. Application.
4. Jim Berry - Advertising and Promotion Budget Analysis for 1976.
5. Foundation Position.
6. Establishment of date for Annual Stockholder meeting.
7. Suit: Hover vs. Heber Creeper etal.

Gentlemen,

Since the last meeting on January 11, the Officer and Superintendent of our company hasve participated in the following events:

1. Grants: As you are all by now aware, Wasatch County was the successful applicant to a Utah State Outdoor Recreation Board Anti-Poverty Grant in the amount of \$75,000.00. This money can be used in many idfferent manners, including upgrading private recreation ground as well as public. We have also met with the Board of Commissioners for the Utah State Division of Highways, and were able to convince them that they should allow the use of the remnants of the railroad right-of-way from Olmstead Power Plant to Nunns Crossing for rebuilding of the leased track. This amount of money (\$75,000.00) is more than we have spent on the leased right-of-way since we began, and if the materials can be considered in their value as replacement of other materials we might have to go on the open market and purchase, it represents in total over three times what we have spent on our track and terminal grounds



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Mr. J. R. Edwards, President
Wasatch Railway Museum and Foundation, Inc.
8330 Valiant Drive
Salt Lake City, Utah 84121

Dear Rod,

This letter to you in your official capacity is to inform you that our refinancing efforts on behalf of the Heber Creeper is rapidly reaching a status that will require that we get a response from your organization as to our requests as per our joint meeting between the membership of the Foundation and the Board of Directors of the Heber Creeper.

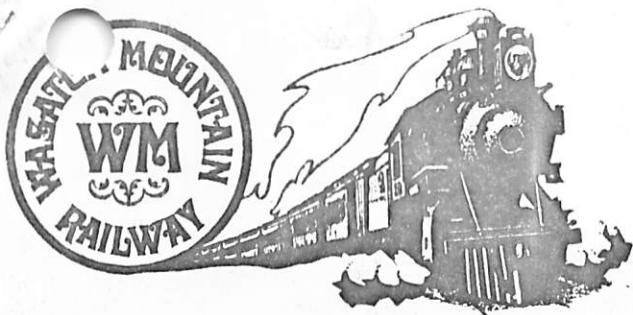
We would appreciate it very much if you would prepare a response for our meeting on or before February 10, 1977.

Very truly yours,

HEBER CREEPER, INC.

Lowe Ashton

cc: Board of Directors, Heber Creeper, Inc.
Foundation Membership



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Gentlemen,

As per the Boards instructions, I have made contact with Jim Berry and have invited him to attend the Board of Directors meeting on February 10, to talk about his loss of control over the Advertising and Promotion Budget, which the Board authorized at a maximum of \$25,000.00.

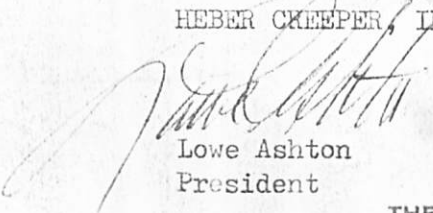
According to our figures, we have written checks chargeable against Advertising and Promotion for \$38,306.57. There are two bills submitted that we have not written checks for, one from Mountain West Magazine for \$600.00, and the expense claim from Mrs. Anne Mitchell which apparently is over \$1,000.00. Again, according to our records, of the \$39,900.00 (+/-) bills that have been presented, over \$39,300 of them were cleared as "OK" for payment be Jim, or his employee Anne. Anne approved about \$75.00 alone, and \$1519.00 which our records indicate were cleared by Jim and Anne mutually. This account also includes a total of \$2424.22, checks written directly to Jim Berry himself, some of which was for fee, (retainer) as per agreement, some for his repayment to media, some for his expenses.

In my conversations with Jim, I told him that we expected him to make good on the overage, he responded by saying he does not have the money. Inasmuch as the overage amounts to over \$14,000.00, and we have held approximately \$6,600.00 of the bills (including the bills that checks have not been written for), our attorney feels that there is some indication that Jim could be legally responsible for those accounts in excess of his budget.

Due to the circumstances surrounding this problem, I feel the Board should decide the course of action, after listening to Jim, and expressing your own personal attitudes towards this delima. If anyone wishes additional information or clarification about this matter, or wishes to express a personal opinion prior to the Directors meeting, please feel free to call me at your convenience.

Very truly yours,

HEBER CREEPER, INC.


Lowe Ashton
President

THE IRON HORSE TRAIL THROUGH THE ALPS OF AMERICA

over the past five years. Please remember, Wasatch County and the State Parks are the recipient of there funds and materials, so they do not benefit the company in any manner financially except to relieve us of the responsibility of raising funds to repair the track from our own sources.

However, there is still resistance in the minds of the staff of the Highway Department and all is not clear sailing yet. Wasatch County's Economic Director, Mr. Monte Bona still feels that it is possible for the 1 million dollor Economic Development Grant to be funded sometime in late February or early March, so he suggests that we wait and see just what occurs before the County commits the funds currently available.

2. Refinancing Progress: With the success of the grant application and material acquisition efforts, we felt confident in allowing our accountants to proceed with an S.B.A.-Bank Financing application in the amount of \$350,000.00, which would be spent as follows: Clear the current S.B.A. Lona, all short term borrowing, and all accounts payable which are past due, and allow the company approximately \$50,000.00 in working capital to begin the new season. The loan application has received favorable attention from the bank, and is currently being send to S.B.A. The tentative conditions are as follows:

- A. That the company increase its security in the form of equipment available to be mortgaged.
- B. That the current Directors who have guaranteed the previous notes remain on the reapplication at least to the extent that they have currently guaranteed.
- C. That the President be willing to guarantee the note personally in full.

This will require Board approval at the meeting.

3. Jim Berry - Advertising and Promotion Budget: See enclosed letter.

4. Foundation: We have sent a copy of the minutes of the previous joint Foundation membership - Board of Directors meeting which included some response documentation to the positions stated by Founaction President Edwards to all people present at the meeting. To date, we have not heard a response to our request. Please refer to a copy of enclosed letter.

5. Suit: This is to bring to the attention of the Board the fact that the individual who struck the locomotive last summer, Mr. Hover, is suing the company and the employees involved for 2.2 million dollars. We have turned the matter over to our liability insurance carrier, and our agent, Mr. Mendenhall who will bring us up to date on the matter at the time of the Directors meeting.